AMENDMENTS TO THE CLAIMS

Listing of Claims:

1. (Previously Presented) A method of processing a data set comprising:

compressing the data set in multiple passes by categorizing each data signal in the data set into a category of a predetermined set, and, for selected categories of the predetermined set, coding the data signals for that category using a codebook for that category, wherein the data signals are coded so that a predetermined binary data signal budget is not exceeded and the categories have a rank order.

2. (Original) The method of claim 1, further comprising:

decompressing the date set by, for compressed data signals in the data set in a category of a predetermined set of categories, employing a particular data signal associated with the particular category, and, for selected categories of the predetermined set, decoding the compressed data signals for that category using a codebook for that category.

Claims 3-5 (Canceled).

6. (Previously Amended) A method of compressing a data set comprising:

in multiple passes, characterizing each data signal in the data set into a category of a predetermined set, and, for selected categories of the predetermined set, coding the data signals for that category using a codebook for that category, wherein the data signals are coded so that a predetermined binary digital signal budget is not exceeded and the categories have a rank order.

7. (Original) The method of claim 6, wherein the data signals comprise binary digital signals.

8. (Original) The method of claim 7, wherein for the categories that are not coded, each data signal in that category is represented as the binary digital signals assigned to that category.

9. (Original) The method of claim 8, wherein the number of predetermined categories is a power of two.

10. (Original) The method of claim 8, wherein the codebook for each of the selected categories is different.

11. (Original) The method of claim 8, wherein the codebook for each of the selected categories is the same.

Claims 12-13 (Canceled).

14. (Previously Presented) The method of claim 8, wherein, within a particular category, the data signals have a particular rank order, the higher rank order signals being coded before the lower order rank data signals until the budget is expended.

15. (Original) The method of claim 8, wherein the data signal is compressed for storage on a storage medium.

16. (Original) The method of claim 15, wherein the storage medium comprises a flash chip.

17. (Original) The method of claim 8, wherein the data set is compressed for transmission across a network.

18. (Original) The method of claim 17, wherein the network comprises the Internet.

19. (Original) The method of claim 8, wherein the data set comprises data representing one of an image, audio signals, a sequence of images, and any combination thereof.

20. Canceled.

21. (Previously Presented) A system for compressing data signals comprising a storage medium storing data signals representing instructions, the instructions, when executed by a system recognizing the instructions, resulting in:

multiple passes over a data set, categorizing each data signal in the data set into one category of a predetermined set, and, for selected categories of the predetermined set, coding the data signals for that category using a codebook for that category, wherein the data signals are coded so that a predetermined binary digital signal budget is not exceeded and the categories have a rank order; and further comprising:

a system capable of recognizing the instructions.

22. (Previously Presented) An article comprising: a storage medium storing compressed data signals, the data signals having been compressed as follows:

in multiple passes, categorizing each data signal in an uncompressed data set into one category of a predetermined set, and, for selected categories of the predetermined set, coding the uncompressed data signals for that category using a codebook for that category, wherein the data signals are coded so that a predetermined binary digital signal budget is not exceeded and the categories have a rank order.

23. (Previously Presented) A system for processing data signals comprising: a storage medium storing compressed data signals, the data signals having been compressed as follows:

in multiple passes, categorizing each data signal in an uncompressed data set into one category of a predetermined set, and, for selected categories of the predetermined set, coding the uncompressed data signals for that category using a codebook for that category, wherein the data signals are coded so that a predetermined binary digital signal budget is not exceeded and the categories have a rank order and further comprising:

a system capable of decompressing the compressed data signals.

24. (Original) The system of claim 23, wherein the system comprises a digital camera.

25. (Original) The system of claim 23, wherein the system includes the capability to compress data signals for storage on said storage medium.

26. (Original) The system of claim 25, wherein the system comprises a digital camera.